

("SCETV"), the South Carolina State Library ("State Library"), and the state's private sector telecommunications providers. This group has worked together to develop and build the telecommunications network infrastructure to support the growing technology needs of education in South Carolina at the lowest possible cost, to keep abreast of technological advances, and to ensure that the schools and libraries in South Carolina continue to reap the benefits of the E-rate program.

III. The E-rate Program in South Carolina

Since the inception of the E-rate program, South Carolina schools and libraries have received an average of \$33.7 million annually in telecommunication and Internet access discounts through both individual and consortia applications. The budgets of our schools and libraries are always stretched to the breaking point, and the funding from E-rate has proven critical in allowing the state of South Carolina to build and support the telecommunications infrastructure to meet the growing technology needs of our schools and libraries and to provide Internet access to students and library patrons.

The members of the K-12 Technology Initiative strive to ensure that the rules of the E-rate program are being followed by the applicants in South Carolina.

The CIO serves as the administrator for the K-12 technology initiative funds under the direction of the School Technology Initiative. The CIO also files E-rate applications each year as a consortium for both Telecommunications Services and Internet Access on behalf of South Carolina public schools and libraries as well as being the state E-rate coordination resource for South Carolina to assist other applicants in the state. The SDE determines eligibility for public schools in South Carolina and acts as the Universal Services Administration Company ("USAC") certified approver for school district technology plans while the State Library acts as the USAC certified approver for library technology plans.

IV. Comments

a. Definition of "Basic Telephone Service"

The CIO strongly agrees with and fully supports USAC's proposal to treat Centrex service as basic telephone service with the intention of eliminating the requirement that applicants file a technology plan for Centrex service. This change will simplify the applicant filing process and will lead to more South Carolina applicants filing for reimbursement for local telephone services since they will not have to file a technology plan for the sole purpose of including Centrex.

b. Defining Internet Access Usage

The CIO supports the draft ESL clarification that access to distant learning and video conferencing is eligible for funding in the Internet category. However, since IP-based networks are being used for more and more applications, the CIO proposes that the Commission insert language in the 2008 ESL that was used previously in the 2006 ESL (p. 21-22) that said, "Internet Access, regardless of technology platform, is eligible for discount. Such access may include transport of digital communication using any Internet-based protocols, including encapsulation of

data, video, or voice." This statement clearly defines that IP packets should be eligible, regardless of the application.

c. **Other Clarifications**

The CIO also supports USAC's clarifications concerning 1) program participants are not required to provide cost allocation for calendaring functions ancillary to E-mail service, 2) eligible (and ineligible) components of a web hosting service, as well as the addition of "failover" products or services to the list of miscellaneous ineligible components.

Respectfully Submitted,



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ⁱ GUIDING LEGISLATION for the Fiscal Year 2007-08 General Appropriations Bill (H.3620) can be found at http://www.scstatehouse.net/sess117_2007-2008/appropriations2007/gab3620.htm Please select "H. 3620 – As Ratified by the General Assembly on June 21. Governor's vetoes are marked. Enacted on July 25." then click on "Part IB – Part IB PROVISOS (Word format, 1,113,000 bytes)". Select "Section 72 – General Provisions." Section 72.35 (GP: School Technology Initiative) can be found on Page 516 of Part IB.